

## Contracting Framework

The approach to contracting under the Fee for Service is different than the way the department has contracted for the past 20 plus years. The approach is more like Birth to Three contracting or other types of contracting. The contract will no longer be the basis for determining monthly payments. Instead the payments will be based on services provided based on an authorization. This will make payment more complicated. (Payments will be discussed elsewhere.) However it will dramatically simplify the contracting process and reduce the need for hundreds of contract amendments each year. **Further there will only be one contract per provider and one payment for the fee for service.** Authorizations will be done in each region under the contract. Contracts will continue to set forth terms and conditions for the services and will provide a maximum payment amount. An amendment would only be needed for a major program change, or if the payments were projected to exceed the maximum amount of the contract. Our goal is to have no more than one or two amendments for a provider in a multiyear period. In many cases we expect no amendments will be necessary.

The new contract will be available once approved by the Office of the Attorney General. The draft was shared with Regional staff and provider groups prior to submission.

Below are a list of the main changes.

- For providers with a surplus and who are paid at or below the established Fee for Service rates there will be no recoupment of funds.
- For providers with a surplus and are paid above the established Fee for Service rates a surplus funds in excess of the rates will be recouped.
- Update Language changes – ( i.e. Individualized Home versus Supported Living, etc.)
- Service definitions revised to match waiver application
- Standard programming hours per day has been changed to 6 hours per day. Contractors with an agency rate below the established Fee for Service rate and provide less than 6 hours/day, five days/week will increase the programming hours to the standard rate in accordance with their individual transition plan developed to increase to the established rates.
- The Rates are based on 90% of a standard 250 days. Contractor will operate a minimum of 250 days a year unless fewer days are agreed upon by the contracting region.
- Whenever a temporary change in program occurs and the individual receives supports in a different program setting for more than 15 days in a quarter or 30 days in a year, the Contractor will adjust the attendance and billing code accordingly.
- Group Day services and Sheltered Employment shall submit monthly billing based on per diem units for people who attend full day programs.
- Annual Report late submission penalties will apply to all DDS programs.